

Red Tape Review Rule Report (Due: September 1, 2025)

Department Name:	IEDA	Date:	4/18/25	Total Rule Count:	8
IAC #:	261	Chapter/ SubChapter/ Rule(s):	Chapter 72	Iowa Code Section Authorizing Rule:	15.108(2) and 15.108(4)
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of chapter 72 is to describe the policies and procedures applicable to the export trade assistance program (program). The program promotes the development of international trade activities and opportunities for exporters in the state of Iowa through encouraging increased participation in international trade shows and trade missions.

Is the benefit being achieved? Please provide evidence.

Yes. The authority is able to effectively award and administer financial assistance for these and related activities.

What are the costs incurred by the public to comply with the rule?

Businesses interested in applying for the program may require staff time to complete an application to receive financial assistance. Recipients of financial assistance may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a consultant. The amount of the costs will vary, depending on the compensation of staff or service providers involved. The application and reports require minimal time to complete.

What are the costs to the agency or any other agency to implement/enforce the rule?

IEDA staff time is required to review and prepare applications for approval, draft and execute program contracts, disburse funds, review reports, and communicate with program applicants and recipients.

Do the costs justify the benefits achieved? Please explain.

Yes. Only entities that will potentially benefit from the program incur any costs. The costs to the state to administer the program are proportional to the activities incited.

Are there less restrictive alternatives to accomplish the benefit? ☐ YES ☒ NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The application and administrative requirements of the rules are no more than necessary to implement the purposes of the program.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes.

While the authority provides financial assistance for several activities associated with international trade, the chapter currently only addresses financial assistance provided for participation in a trade show or trade mission outside the United States. References to financial assistance for other activities should be incorporated throughout the chapter.

Rule 72.1 is unnecessary and can be eliminated.

Rule 72.2 should incorporate additional definitions relating to domestic trade assistance and market trade assistance. Existing definitions should be updated to be clearer and more concise.

Rule 72.3 should be restructured and expanded to incorporate all forms of financial assistance to be addressed in the chapter.

Rule 72.4 should be restructured and expanded to incorporate all forms of financial assistance to be addressed in the chapter. Information about ineligible expenses should be added to the rule.

Rules 72.5 should be updated to be more concise. Additionally, the rule should incorporate descriptions of the approval process currently in rules 72.6 and 72.7.

Rule 72.6 is unnecessary and can be eliminated.

Rule 72.7 is unnecessary and can be eliminated.

Rule 72.8 is unnecessary and can be eliminated.

Rules throughout the chapter should be renumbered due to the elimination of rules 72.1, 72.6, 72.7 and 72.8.

A new rule should be added relating to administration of financial assistance that combines post-award requirements that are distributed throughout the current chapter.

RULES PROPOSED FOR REPEAL (list rule number[s]):

72.1
72.6
72.7
72.8

RULES PROPOSED FOR RE-PROMULGATION* (list rule number[s] or include text if available):

CHAPTER 72
INTERNATIONAL TRADE FINANCIAL ASSISTANCE

261—72.1(15) Definitions. For purposes of this chapter, unless the context otherwise requires:

“*Authority*” means the Iowa economic development authority established in Iowa Code section 15.105.

“*Domestic trade assistance*” means financial assistance for participation in a trade show in the United States with documented significant international attendance.

“*Eligible applicant*” means an exporter meeting the requirements of rule 261—72.2(15).

“*Export trade assistance*” means financial assistance provided for participation in a trade show or trade mission outside the United States.

“*Exporter*” means a business that sells a manufactured product, a value-added product, an agricultural product, or a service outside of the United States.

“*Market trade assistance*” means financial assistance provided for marketing services.

“*Marketing services*” means third party services, identified as eligible expenses in subrule 72.3(3), that support international trade.

“*Program*” means domestic trade assistance, export trade assistance, and market trade assistance provided pursuant to this chapter.

“*Sales representative*” means a contracted representative of an exporter with authority to consummate a sales transaction.

“*Trade mission*” means a mission event led by the authority or designated representative that includes advanced operational and logistical planning, scheduled individualized appointments with prequalified prospects interested in exporters’ products or services, and background information on such prospects.

“*Trade show*” means an event attended by an employee or sales representative of an exporter for the purposes of exhibiting the exporter’s products or services to increase international sales opportunities.

261—72.2(15) Eligible applicants.

72.2(1) Financial assistance in the form of grants is available to exporters that meet all of the following criteria:

- a. The exporter employs fewer than 500 individuals, 75 percent or more of whom are employed within the state of Iowa,
- b. The exporter is new to exporting, targeting a new international market, or promoting a new product,
- c. The exporter does not have a history of noncompliance with agreements with the authority, and
- d. The exporter does not have a record of violations of the law that over a period of time tends to show a consistent pattern or that establishes intentional, criminal, or reckless conduct in violation of such laws.

72.2(2) To be eligible for domestic trade assistance or export trade assistance, exporters must meet the following additional criteria:

- a. The exporter has at least one full-time employee or sales representative that will participate in a trade show or trade mission, and
- b. The exporter provides proof of deposit or an executed payment agreement for a trade show, or payment of a trade mission participation fee.

72.2(3) To be eligible for market trade assistance, an exporter must document intent to procure marketing services.

261—72.3(15) Eligible and ineligible expenses. Only eligible expenses identified in this rule will be reimbursed with financial assistance provided through the program.

72.3(1) Trade shows. The following trade show expenses are eligible for domestic trade assistance and export trade assistance:

- a. Space rental.
- b. Booth construction at show site.
- c. Booth equipment or furniture rental.
- d. Shipping costs associated with shipment of equipment or exhibit materials.
- e. Booth utility costs.
- f. Interpreter fees during the trade show.

72.3(2) Trade missions. The following trade mission expenses are eligible for domestic trade assistance and export trade assistance:

- a. Mission participation fee.
- b. Shipping costs associated with shipment of equipment or exhibit materials.
- c. Interpreter fees, if not included in the participation fee, and as needed during the trade mission.

72.3(3) Marketing services. The following expenses are eligible for market trade assistance:

- a. Design, translation and localization of brochures or other product information.
 - b. Design, translation and localization of international advertisement for a specific country/region.
 - c. Required compliance testing of an existing product for entry into an export market.
 - d. Website design and translation, search engine optimization and localization for a specific international market or markets.
 - e. Oversight, maintenance, or monitoring fee for search engine optimization (limited to the funding period during which financial assistance is provided).
 - f. Development of an e-commerce platform to accept international payments.
 - g. International attorney fees for distributor contracts.
 - h. Costs for preparing an export readiness report, conducted by a contractor selected by the authority.
- 72.3(4) Ineligible expenses.** The following expenses are not eligible for reimbursement through the program:
- a. Travel expenses, including airfare.
 - b. Printing.
 - c. Purchased equipment.
 - d. Memberships or sponsorships.
 - e. Costs associated with attendance at conferences or virtual events.
 - f. Tabletop displays.
 - g. Materials or exhibits that are not intended to increase international sales.

261—72.4(15) Application and approval.

72.4(1) An eligible applicant shall submit an application in the form and content required by the authority. Information on submitting an application is available on the authority's website. For domestic trade assistance and export trade assistance, an eligible applicant must apply prior to trade mission participation or trade show participation. For market trade assistance, an eligible applicant must apply prior to work beginning for marketing services.

72.4(2) Complete applications will be reviewed in the order received by the authority. Eligible applicants will be funded on a first-come, first-served basis to the extent funds are available. The authority may deny applications that exceed available funds or may defer approval of an application until additional funds become available.

72.4(3) The authority will not approve financial assistance for an eligible applicant under the following circumstances:

- a. More than three times total in the same fiscal year for domestic trade assistance or export trade assistance.
- b. More than once in the same fiscal year for market trade assistance.
- c. More than once for the same marketing services.
- d. For participation in the same trade show more than two times after January 1, 2023.

261—72.5(15) Administration.

72.5(1) Eligible applicants approved for financial assistance must enter into a contract with the authority prior to participating in a trade show or trade mission or prior to incurring expenses for marketing services.

72.5(2) Payments will be made by the authority on a reimbursement basis. An exporter shall submit documentation acceptable to the authority of paid expenses. A complete report of activities the financial assistance supported shall be submitted before final reimbursement. Reimbursement shall not exceed 75 percent of eligible expenses. Total reimbursement shall not exceed \$8,000 per event or marketing services project.

72.5(3) An eligible applicant that receives financial assistance shall submit any information reasonably requested by the authority in sufficient detail to verify compliance with the agreement entered pursuant to subrule 72.5(1) or to permit the authority to prepare any reports required by the authority, the general assembly or the governor's office.

These rules are intended to implement Iowa Code section 15.108, subsections 2 and 4.

***For rules being re-promulgated with changes, you may attach a document with suggested changes.**

METRICS

Total number of rules repealed:	3
Proposed word count reduction after repeal and/or re-promulgation	0
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	0

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.